

BROOKLYN NAVY YARD:

PROCEDURAL AND PLANNING PROBLEMS

I. LAND ACQUISITION.

A. Legal and Legislative Problems:

1. City-owned Land. The Brooklyn Navy Yard tract contains 291 acres, of which 20 were originally donated to the Federal government by the City. The donation was made on condition that the Federal government would return it to the donor if it were no longer to be used for ship building.

a. Have the exact boundaries of the City-owned portion been clearly established?

b. Has the City's legal right to reacquisition, as stipulated in the original deed, been clearly established?

c. What is the condition of this portion of the land? Is it usable for any immediate purpose? Or is its situation such as to make it utilizable only in conjunction with the balance of the land mass?

d. Have the appropriate City agencies been apprised of the need to establish our rights to the property? Has the processing of our reacquisition claim as soon as the land becomes available been assigned to a specific agency?

Recommendation: The Department of Real Estate would logically be concerned with the acquisition of lands which were formerly City-owned and should be assigned the task of gathering the necessary information and processing this portion of the reacquisition.

2. State-Owned Land. Sixty acres of the tract were donated by the State under the same conditions as the City-owned portion. The same questions raised with regard to City-owned land pertain to the land

offsite  
VA  
70  
.B7  
B76  
1965g

AVERY ARCHITECTURAL AND FINE ARTS LIBRARY  
GIFT OF SEYMOUR B. DURST OLD YORK LIBRARY

that was originally owned by the State.

- a. How are the efforts of both City and State to reacquire their portions of the land being coordinated?
- b. Under what conditions may the City gain possession of the State's interest in the land? What are the legal issues involved?
- c. Will funds have to be made available for the transfer of such property to City ownership, and if so, in what amount?
- d. How much time can be expected to elapse before a conveyance is completed?
- e. What is the spatial relationship of the City and State lands involved? Are they by location, state of development and topographic condition suited to development as a unit?
- f. Can these 80 acres be developed prior to the acquisition of the total 291 acres, given the lengthy period of time that will be required to acquire the rest of the property?

Recommendations: Again, the Department of Real Estate, with its extensive knowledge of the relevant regulations and its recent successful experience in negotiating with the State for the return of City-owned properties, appears to be the agency most fully-equipped to act as the City's representative in coordinating the efforts of both City and State to obtain the land from the Federal government, and in negotiations with the State for a subsequent transferral of State property to City hands. The 80 acres will undoubtedly be available for City use well in advance of the acquisition of the remainder of the tract and plans for the development of the first parcel can begin as soon as its boundaries are known. Development plans should proceed concurrently with our efforts to negotiate the return of the



80 acres from both the State and the Federal government, so that actual redevelopment can proceed with a minimum of delay. Such development plans will, of course, be predicated on the solution to reuse and redevelopment problems outlined on the following pages. Development by stages, as here recommended, would serve the additional purpose of testing the feasibility of the particular development plan finally adopted, and the feedback of marketability and planning results could be integrated into the redevelopment plans for the fully assembled tract..

3. Privately-Held Land: To the best of our knowledge, the balance of the property was originally obtained by the Federal government from 12 separate private owners. The exact circumstances under which the property was acquired are not fully known at the moment. The Federal Surplus Property Act provides for the return of all surplus government property to the General Services Administration which then circularizes the availability of the land among all Federal agencies. If it can serve no Federal purpose, the GSA will then offer it to the local government, prior to any sale to private developers.

- a. Were any deed restrictions and/or covenants attached to the conveyance of the property to the Federal government by the original private owners? How would they affect eventual reuse or reacquisition by the City?
- b. If there are any, what legal procedures are required to wipe out these restrictions? Which branch of government would be responsible for doing so?
- c. What methods can be used to avoid the procedure by which the GSA circularizes surplus properties among Federal agencies? Will



new legislation be required to accomplish this? If so, who will be responsible for directing its passage?

d. Should it be impossible to avoid this procedure, how long does it normally take before circularization is completed and the land is offered to the local government?

Recommendations: The Corporation Counsel should be apprised of these problems immediately so that a title search may be initiated at the earliest possible date. Counsel should be called upon to advise the Mayor's committee of all information pertaining to the above questions and should even at this early stage be charged with the drafting of any required legislation needed for appropriate Congressional action.

B. Fiscal Problems: Negotiations with the Federal government for acquisition of all lands still in its hands are presently subject to the Federal Surplus Properties Act which stipulates that the cost of the land is dependent upon eventual reuse. Land is given free of charge if it is to be used for welfare, hospital or educational facilities; at 50% of fair market value if it is to be used as recreation or open space; and at full fair market value if reuse is to be industrial or commercial.

a. What is the full fair market value of the land?

b. Who will make the final determination of market value?

Independent appraisers, city appraisers, Federal, or a combination of these?

c. What strategy would be most effective in reducing the cost of land to the City?


d. If a reduction cannot be accomplished under existing legislation, what new legislation can be brought to bear?





- e. What agency shall be charged with the development of strategy to reduce costs, bearing in mind that such strategy will reflect eventual reuse of the land?
- f. Which would be the most effective organization of City powers to carry on the necessary negotiations with the Federal government?
- g. How will acquisition costs affect the City's fiscal ability to maintain ongoing financial responsibilities?
- h. How will they affect proposed land uses for the Brooklyn Navy Yard as a whole (See Section III, A)? How will they affect the timing of development of the entire tract?

Recommendations: Several approaches to strategy for cost reduction offer promise. 1) Industrial development on the site may be tied in with anti-poverty efforts of the Federal government, given the proposed creation of jobs for low-income, under-trained employee groups. Data backing the City's need for such job opportunities could be worked up by the Research Division of the City Planning Commission. 2) Combining industrial development with vocational training facilities may enable the City to acquire a portion of the land as a grant under the educational reuse provision. 3) Negotiations with the Federal government for the future location of their research and development facilities projects on the Brooklyn Navy Yard site could be predicated on the difficulties which our economy suffered due to its closing. The location of such activities here should also result in a reduction of land costs. It will undoubtedly be necessary to involve the political structure of New York in this phase of the negotiations.



Digitized by the Internet Archive  
in 2014

<https://archive.org/details/brooklynnavyyard00unse>

## II. PROBLEMS OF LAND USE

- A. Inventory of Existing Facilities: The site is presently developed with 270 major buildings, 19 miles of streets, 10 miles of railroad tracks, 2 building ways, 6 dry docks, 1 laboratory and a lumber yard. The laboratory, receiving barracks and possibly some other structures will be retained by the Defense Department. Consolidated Edison plants are located at both ends of the site.
- a. Which buildings and facilities are in good enough condition to merit salvaging? Which should be demolished?
  - b. What types of manufacturing activity can the salvageable buildings support?
  - c. What would be the cost of rehabilitating the structures for reuse?
  - d. How would these costs vary for different types of industrial activity?
  - e. How would spot redevelopment and spot demolition affect the viability of the site plan?
  - f. How effective is the site plan in terms of ease of access and connections with major arterials?
  - g. What types of industrial groupings could most benefit from location on the waterfront?
  - h. Would improvement of the rail siding add to the marketability of the rehabilitated structures?
  - i. Is there any possibility that the shipbuilding facilities could be reutilized by commercial shipbuilders?



Recommendations: An industrial engineering firm should be hired to make a determination of the value of existing structures for various types of manufacturing activity and the efficiency of the site plan. This inventory can begin immediately and the results can be used in determining a) the types of industrial groups which should be contacted on a preliminary level to determine their interest in relocation; b) the types of industrial groups which might be interested in locating on unused portions of the site because of proximity to the primary users; c) eventual costs of redevelopment of the total site.

B. Land Use Planning: The controversy between heavy and light industry as the most suitable future land use has not been adequately resolved. A clearer picture of the uses to which existing buildings might be put, obtained from the inventory recommended above, might be a first step in leading to a resolution of the controversy. Other questions that would have to be answered before a final determination is made are:

- a. What are our objectives in redeveloping this land?
- b. How much demand is there or can reasonably be expected to be generated for heavy versus light industrial space?
- c. Which types of industrial groupings can benefit most from the locational advantages of the Brooklyn Navy Yard?
- d. Which industrial groups use large numbers of unskilled or underskilled employees?
- e. What are the space requirements of industries which are best suited to long-term operations in the City in terms of type, quantity, location and cost?
- f. Is similar space available to them elsewhere? How adequate is it?



g. What is the rent-paying ability of different industrial groups and how will this affect the type of facilities which can or should be provided?

h. What combinations of industrial activity types are inadvisable in terms of traffic, pollution, etc?

Recommendations: The Department of Commerce and Industrial Development should be asked to draw up a memorandum which explicitly indicates the locational advantages and disadvantages of this site for various industrial groupings. This would be helpful not only in determining land use but will be a first step in the promotional activities of the land disposition stage. They should also be charged with the responsibility of gathering data on the availability of "good space" within the City as one step in the determination of the extent of demand for space. If existing space is of marginal quality it can be expected that demand for space is high. Knowledge of the rent-paying ability of different industrial groups and a description of the quality of space available at different rent levels will enable us to determine 1) whether estimated costs of developing the Brooklyn Navy Yard would automatically exclude certain industrial groups; 2) how much of a subsidy would be required to attract these industrial groups should their presence be desirable from other points of view than the financial alone; 3) the demand for the kind of space which the Navy Yard may be able to supply.

With as full answers to the above queries as it is possible to obtain, a determination can be made of the type of space which should be provided on the site, how much of it the site will be able to provide and the kinds of firms whose interest should be solicited. At this point detailed site and financial planning can begin.





### III. DISPOSITION OF LAND AND STRUCTURES

#### A. Financial Problems:

- a. Given the conclusions reached as a result of the studies thus far noted, what will be the total cost of development of the site?
- b. How much of the total cost will be a direct City responsibility? How much will be indirectly charged to the City?
- c. What are the financial benefits which the City can hope to obtain from redevelopment and how do they measure against costs?
- d. What will be the costs of alteration and construction to individual firms?
- e. What financial incentives can we offer to individual firms to ease the burden of new construction?
- f. Are such incentives sufficient or will additional aids be required?
- g. Will new legislation be required to make additional financial aids justifiable?
- h. How will financial aids affect the competitive position of existing industrial operations elsewhere in the City?
- i. How does the wage rate in New York City affect operating costs of the various firms involved? How are operating costs affected by costs of distribution for various materials via varying means of transportation?
- j. Will these factors affect the nature of the subsidy which the City will offer?



B. Administrative Problems:

- a. Should construction be undertaken by the City for lease or resale to private companies?
- b. If not, what agency or agencies will be responsible for promoting disposition and supervising developmental controls?
- c. How will piecemeal construction affect site planning and the operations of existing firms?
- d. What would be the most effective method of organizing for construction and disposition by the City, if this is desired?

Recommendations: Housing and Redevelopment Board should be consulted on the extent of the problems of land disposition and the effectiveness of some of the solutions which they have applied to the urban renewal situation.

The City Planning Commission, after due deliberations, may determine that a Public Development Corporation may be the most effective means of handling total development and disposition. The major features of such corporation are:

1. It will be wholly owned by the City of New York.
2. It will be governed by a Board of Directors composed of the policy-making department heads and perhaps some private citizens, under the chairmanship of the Mayor.
3. It will be empowered to borrow funds outside of the City's debt limit, using as collateral unimproved City-owned land, transferred to its control in return for a note.
4. It will undertake construction of major industrial developments, including rehabilitation, and lease space to appropriate industries.



5. It may then sell the project to a wholly owned temporary industrial development corporation which, using the leases as a basis for borrowing, can borrow sufficient money from the conventional mortgage market, from State funds and through the sale of income debentures to pay the PDC for 90% of project cost. The remaining 10% will be held by the PDC as stock.
6. After a specified period, the temporary corporation can sell the property to either the tenants or other purchasers, thereby returning the property to the private sector and providing the City with full payment.

SKF:MLN

